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Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly the report of the Joint Inspection Unit entitled "Implementation of results-based management in the United Nations organizations: part I of the series on managing for results in the United Nations system" (JIU/REP/2004/6).

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IMPLEMENTATION OF RESULTS-BASED MANAGEMENT IN THE UNITED NATIONS ORGANIZATIONS

PART I

OF THE SERIES ON MANAGING FOR RESULTS IN THE UNITED NATIONS SYSTEM

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ACRONYMS

AUSAID	Australian Agency for International Development
CEB	Chief Executives Board for Coordination (formerly ACC)
CIDA	Canadian International Development Agency
DAC	Development Assistance Committee (OECD)
DESA	Department of Economic and Social Affairs (UN)
ERP	Enterprise Resource Planning
FAO	Food and Agriculture Organization
GMS	Global Management System (WHO)
IAEA	International Atomic Energy Agency
ILO	International Labour Organization
IMDIS	Integrated Monitoring and Documentation Information System (UN)
IRIS	Integrated Resource Information System (ILO)
JIU	Joint Inspection Unit
KIMRS	Key Item Management Reporting System (UN)
MTP	Medium-Term Plan
MTS	Medium-term Strategy
MYFF	Multi-Year Funding Framework
OECD	Organization for Economic Co-operation and Development
OIOS	Office of Internal Oversight Services
PIRES	Programme Planning, Implementation, Reporting and Evaluation System (FAO)
RBB	Results-Based Budgeting
RBM	Results-Based Management
SISTER	System of Information on Strategies, Tasks, and Evaluation of Results (UNESCO)
SMART	specific, measurable, achievable, relevant and time-bound
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

I. INTRODUCTION

1. The introduction of the overview document of the series of reports on managing for results in the United Nations system described the context in which the UN organizations initiated their efforts at the end of the nineties to establish results-based management (RBM) systems.[1] As indicated in the overview, some of these efforts were more fruitful than others with varying levels of progress achieved in establishing such systems among the organizations of the UN family.

2. Based on their analysis, the Inspectors have identified the process of planning, programming, budgeting, monitoring and evaluation; human resources management; and management information systems as the main pillars for the development of a solid RBM system. Therefore, the Inspectors are producing this series on management for results in the UN system composed of three reports, with special focus on these issues. The Inspectors emphasize that the three reports, together with the overview document, should be considered in conjunction with one another, to have a better sense of the challenges facing the effective implementation of RBM in the UN organizations.

3. Considering that it would be premature at this stage to attempt to evaluate the impact of the new policies and systems introduced in the majority of the UN organizations, the Unit has chosen to contribute to the implementation of changes proposed by submitting through this series of reports a list of critical success factors through which the concepts developed in recent years can be operationalized. The Unit hopes that this list can offer to its participating organizations a benchmarking framework, or "scorecard", to measure their progress towards RBM.

4. This first part introduces the concept and definition of RBM, and identifies a number of critical success factors at the corporate level that the Inspectors believe are essential for an effective implementation of RBM in the United Nations organizations. The methodology applied in the preparation of this part and the rest of the series is described in the overview document. Like the two other parts, a blueprint of this text was discussed in a review meeting held in June 2004, which was open to all the Unit's participating organizations, and in which most of them were represented by their competent officials. The active and constructive participation in this meeting was an important factor in refining this benchmarking framework.

5. While the Inspectors are aware that there is no single "roadmap" to RBM, and that the specific mandate, structure, size and constraints of each organization will dictate to a great extent the managerial choices they make in the next few years, they believe that reforms can be carried out more effectively if lessons learnt are shared and best practices disseminated. Therefore, selected case illustrations, in the form of examples of policies, processes or practices that appear to encompass one or several of these success factors, are highlighted in boxes. The main challenges and difficulties faced by some of the organizations in trying to implement these new policies are also discussed, and attention is drawn to the risks associated with a number of current practices. The Inspectors would like to emphasize that the selected case illustrations are not exhaustive, and that their number was limited by the need for brevity, and the desire to ensure that the cited cases are corroborated through the Inspectors' missions and interviews of officials in the organizations concerned.

6. The Inspectors wish to thank all those who have contributed to the report.

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[1] See JIU/REP/2004/5 "Overview of the series of reports on managing for results in the United Nations system".

II. IMPLEMENTATION OF RESULTS-BASED MANAGEMENT IN ORGANIZATIONS OF THE UNITED NATIONS SYSTEM

Concept and General Considerations

Box 1: RBM Concept and definition

RBM is a management approach focused on achieving results; a broad management strategy aimed at changing the way agencies operate, with improving performance (achieving results) as the central orientation.[2]

Box 2: Key RBM techniques

Key RBM techniques include: [3]

- Formulating objectives (results)
- Selecting indicators to measure progress towards each objective
- Setting explicit targets for each indicator to judge performance
- Regularly collecting data on results to monitor performance
- Reviewing, analyzing and reporting actual results vis-à-vis the targets
- Integrating evaluations to provide complementary performance information
- Using performance information for purposes of accountability, learning and decision-making

7. While a considerable amount of literature is available about RBM concepts and techniques, the Inspectors would like to emphasize that the techniques of RBM, by themselves, are not sufficient to achieve effective results in the organizations of the UN system. RBM techniques must be supplemented by organizational policies and strategies, such as human resources, information management and learning strategies, if they are to have an impact on programme effectiveness. Indeed, the list of critical success factors proposed by the Inspectors in this report attempts to address some of these policy imperatives at the organizational level.

8. The Inspectors, therefore, would caution against turning RBM into a bureaucratic process in itself. RBM has to be translated into improved programming and service delivery for the end users in order to meet its expectations and render justice to the investments deployed in it by the majority of the UN system organizations.

9. The Inspectors also reiterate their conviction stated in the introduction that there is no single "roadmap" to RBM, and that each organization has to adapt RBM to its specificities and mandates. Nevertheless, the Inspectors are equally convinced that a wide range of commonalities exists among the UN organizations, which could constitute a basis for a system-wide harmonization effort for the implementation of RBM in the UN organizations. Otherwise, there is a risk of constantly reinventing the wheel and its consequent waste of

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[2] Organization of Economic Cooperation and Development (OECD), Development Assistance Committee paper "RBM in the Development Cooperation Agencies: A review of experience", Feb. 2000, adapted.
[3] Ibid, adapted.

efforts and resources, in addition to the risk of setting contradictory practices within the common system. Harmonization is particularly important in the context of joint programming, called for by the Secretary-General in his reform initiatives.[4]

10. The ongoing simplification and harmonization efforts undertaken in the context of the United Nations Development Group (UNDG), including on RBM is a good example in this respect and should be built upon system-wide. The CEB machinery should play a more active role in this area.

Box 3: Harmonization is important

In 2002, the OECD, through its Development Assistance Committee (DAC), developed a glossary of key terms in evaluation and results-based management.[5] The glossary's terms and definitions were carefully discussed and analyzed, and benefited from advice and inputs, notably from DAC Members and the academic evaluation community.[6] A Task Force, chaired by the World Bank, led the overall project, in collaboration with the Secretariat. Most UN organizations either use this terminology or adapt it to their own context, including the UNDG.[7] The former UN Inter-Agency Working Group on Evaluation (now known as the United Nations Evaluation Group (UNEG)) also decided to use this glossary as part of its harmonization efforts among the UN evaluation community.[8]

11. It should be also understood that the implementation of RBM is by no means a one-time event. It is rather a process that needs to be undertaken gradually, though in a coherent manner. Implementing RBM requires a fundamental change in the management culture. Changing cultures by its vary nature is a daunting process that requires time and perseverance. Some national experiences prove that many years are needed for an effective implementation of RBM.[9]

12. A pre-requisite towards this change is a commitment at all levels to this management system. Such a commitment should be reflected through the interaction between the main parties and translated into precise tools and mechanisms to put RBM into action.

13. Experience shows that a commitment at the highest level of the organization is essential to orient the organization towards RBM.[10] However, an effective implementation of RBM can only be sustained through a solid institutionalization of RBM, and a conviction by the main parties, including management and staff, that the system does meet their expectations for improved performance, at the individual and organizational levels.

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[4] A/57/387, Action 14.

[5] See the OECD Glossary of Key Terms in Evaluation and Results Based Management developed by the DAC Working Party on Aid Evaluation (http://www.oecd.org/dataoecd/29/21/2754804.pdf)

[6] The DAC Working Party on Aid Evaluation, which developed the glossary, consists of about 30 representatives from OECD countries and multilateral development agencies, including the World Bank, UNDP, and regional Development Banks.

[7] See http://www.undg.org/content.cfm?id=823, UNDG website.

[8] Report of the Inter-Agency Working Group on Evaluation, meeting of 19-20 June 2002, Vienna, Austria.

[9] See, for example, summary of issues discusses and points made in the results-based budgeting retreat sponsored by the Permanent Mission of Sweden to the United Nations in New York (18-20 September 2003).

[10] See ibid, for example.

What are the critical success factors for an effective implementation of RBM in the United Nations?

A. A clear conceptual framework

14. In their review of the status of implementation of results-based management in the UN system, the Inspectors were faced with different definitions and terminology used to reflect the shift to the results-based approach by the organizations. For example, UNDP, UNFPA and WFP clearly use the term results-based management, UNICEF uses results-based programme planning and management, the United Nations uses results-based budgeting (RBB), UNESCO refers to its results approach as results-based programming, management and monitoring. At ILO, the results approach translates into strategic budgeting and at FAO, the approach is implemented through a set of conceptual and procedural advances (Strategic Framework, New Programme Model, enhanced monitoring and evaluation regime), while rarely referring explicitly to results-based management.

15. These differences make it harder to communicate using a common language among the UN organizations. For instance, in the course of the Unit's attempt to develop a system-wide questionnaire on the status of implementation of RBM in the UN system, referred to in the introduction to this report, almost every organization emphasized the need for an individual "tailored" questionnaire to make it, among others, understandable to its managers and staff. More importantly, such variations usually reflect different focus, understanding and perceptions of RBM within the system, and sometimes within the same organization (even within the same department in some instances, as was encountered by the Inspectors), with important implications for the process and the status of implementation of RBM in the various organizations. For example, in many instances, the Inspectors noted that while some programme managers perceive RBM as a management tool, others perceive it as a budgetary technique or even as a mere bureaucratic requirement to justify their resources.

16. While all of the organizations of the UN system are in the midst of implementing the results-based approach in one form or another, some are proving to be more effective and efficient in their ongoing process than others. Generally, the Inspectors found that the group of UN Funds and Programmes (namely UNDP, UNFPA and WFP) are the most methodological and systematic in their implementation of RBM, undoubtedly because their shift to a results-based approach was founded on a clearly developed conceptual framework and guided, inter alia, by the experience of other agencies (including some national agencies).[11] At the outset, these organizations approached RBM as a broad management strategy aimed at achieving changes in the way they operate and where various blocks come together in a coherently planned, albeit gradual, manner to build an effective and solid system of management.

[11] Several studies were prepared for the DAC Working Party on Aid Evaluation, including, for instance, the paper referred to in supra note 2.

Box 4: Conceptual papers are essential

UNDP issued a package of guidance and technical materials to support the introduction of RBM in 1999-2000. It intended to assist UNDP's practitioners, programme stakeholders and national policy makers in understanding: the basic concepts and principles of RBM; the technical tools used to plan, monitor, report and assess results; and how to use indicators to track progress. This RBM Methodology Series comprised three papers about RBM in UNDP: General Principles and Concepts; Technical Note; and Selecting Indicators. They were used to support training entry-level, mid-career and senior staff, mainly from country offices. New guidance was issued to country offices in May 2004 to accompany the MYFF 2004-07, reflecting advances in methods and approaches based on five years of experience.

UNFPA issued a policy statement on RBM highlighting clearly what RBM means at UNFPA. An RBM orientation guide was issued later.

Similarly, WFP produced in 2003 an RBM orientation guide to promote a better understanding of RBM concepts and tools and their applicability to the Organization. The guide serves as the basic and entry tool for all staff.

17. Such conceptual frameworks are essential in setting the stage for the change of culture within the organization needed for an effective implementation of RBM. Most officials in the UN organizations have highlighted this as a major challenge. The conceptual documents are also essential for promoting common understanding of the RBM concept and for harmonizing its tools and terminology within the organization. In addition they relate and adapt RBM to the business and operations of the organization at various levels, emphasize the implications and requirements of such an adaptation, and provide a basis for a time-bound coherent strategy for implementing RBM.

18. On the other hand, at the United Nations and most of the specialized agencies, the Inspectors found that what is lacking is a coherent, holistic approach. The shift to a results-based approach was largely characterized by a focus on the budgeting and programming aspects of management without realizing or emphasizing at the outset the scope of changes required in other areas of management for an effective implementation of an RBM system. In some instances, the shift was mainly in the vision and format without being effectively translated into improved methods of work or support by the administrative, financial and information systems in the organization. A fragmented approach to RBM has characterized the shift in many of these organizations. The process became mainly a learning-by-doing exercise.

19. At the United Nations, for example, high-level officials interviewed recognized the lack of a solid foundation on which to base the shift to RBM and the attendant need for a strategic management approach to ensure coherence among several management initiatives launched in various departments of the organization. The Inspectors also noted that while a few departments were relatively more advanced in their understanding and implementation of RBM, most departments were lagging behind, with a major department still struggling with conceptual issues among its own managers. The Inspectors recall that the JIU recommended in 1999 that "a comprehensive assessment of changes that would be required to assure the readiness of the organization for RBB, regarding areas such as regulations, procedures,

management information systems, and training" be included in future reporting to member states.[12]

Box 5: Culture change is a significant challenge

At the end of 2002, the United Nations Office of Internal Oversight Services (OIOS) identified several challenges and steps needed "to bring the implementation of RBB to the next level" [at the UN],[13] among them the need for a significant culture change and for staff at all levels to become familiar with the concepts and terms of RBB.

20. At FAO, the New Programme Model (NPM), developed to reflect a results-based approach to budgeting, was devised and applied mainly to the technical departments. FAO has not yet applied a logical Framework approach to the activities of its country offices, and the matter is still under consideration. Both ILO and WHO are at the initial stages of adapting their management systems to support an effective implementation of RBM despite initiating their shift to strategic budgeting in 2000. WHO, for example, is revisiting its results-based management framework to simplify the planning, monitoring and evaluation processes in order to make the framework a more effective, rational, relevant and useful management tool.

21. Once a clear conceptual framework for RBM is developed and shared among the organization's main parties, a firm commitment to its implementation and institutionalization should be demonstrated through a legislative adoption committing Member States and management to this new approach, based on a genuine understanding of the scope of changes required throughout the organization.

Benchmark 1

A clear conceptual framework for RBM exists as a broad management strategy

B. The respective responsibilities of the main parties

22. RBM is a management approach focused on achieving results. This implies that for an effective implementation of an RBM system, this shift of focus should extend to the operational modes of all the main parties involved in the organization's governance, namely its Member States, the secretariat (programme managers and staff), and the oversight bodies.

23. In their review, the Inspectors note that despite the fact that the shift to a results-based approach was generally sanctioned through the legislative bodies of the UN system organizations, member states in many instances found it hard to shift their focus towards results and outcome-driven programming and budgeting from the previous input-driven process, making it harder sometimes for the secretariats, and even for oversight bodies, to adapt their methods of work to a results-based approach in an efficient manner.

24. The fact that the implementation of an effective RBM system is still at an early stage in most UN organizations certainly contributes to this general slow shift of focus. However, the Inspectors are convinced that a clear definition of the roles and responsibilities of the parties involved in the organization's governance in the context of an RBM system is essential to move the process forward efficiently and avoid setbacks. Such a division of labor should be

[12] JIU/REP/99/3.
[13] A/57/474, dated 15 October 2002.

clearly articulated in a concise document developed in a participatory manner among the parties, and to which their commitment is formalized through an explicit consent by Member States to the roles and responsibilities allocated in the document.

25. It is obvious, for example, that the Member States have the primary responsibility in setting the strategic goals and objectives for the organizations. It is also the primary responsibility of the secretariat to satisfy the Member States that these goals and objectives are translated into effective programmes and activities that contribute to or ensure their achievements, and that the resources are used efficiently. Similarly, it is the primary responsibility of the oversight bodies to satisfy the Member States that the secretariat's efforts in doing so are deployed in the most effective and efficient manner, and to guide the secretariat's efforts towards more efficiency, as appropriate. It should be emphasized that oversight is not a substitute for good management.

26. To assume those primary responsibilities, though, an active interaction is needed among the parties, through clearly established tools, mechanisms and procedures. Those points and means of interaction need to be clearly defined, and the results expected from them need to be clarified and shared among the parties in the context of the primary responsibilities of each. This would enhance accountability and avoid negative implications on the process.

27. In this context, the active participation of programme managers is necessary throughout the discussion of their programmes, including at the legislative level. Only then, could an RBM culture be promoted, a sense of ownership to the programmes fostered, and accountability claimed and exercised.

28. A clearly articulated and agreed upon division of labor would also enhance the important trust factor between the Member States and the secretariats. The Unit, in several previous reports, [14] had emphasized the need for a climate of trust and understanding between the Member States and the secretariat and consensus among the Member States for a successful implementation of any reforms. In many instances, the Inspectors noticed that micromanagement has been exercised by some of the same Member States advocating RBM. In a climate of trust, supported by a clear division of labour, the Member States should refrain from interfering in the internal management of the organizations whether collectively, through the legislative organs or their groupings, or individually.

29. Once responsibilities are clearly identified and approved by concerned parties, a strict adherence by each party to its share is important in all policy and management aspects of the organization, in particular throughout the planning, programming, budgeting, monitoring and evaluation cycle.

Benchmark 2

The respective responsibilities of the organization's main parties are clearly defined

C. Long-term objectives (expected long-term results) for the Organization

30. In their shift to a results-based approach, most organizations of the UN system recognized, albeit at different stages of the process, the need for strategic frameworks that provide vision and overall direction to the organization in the long- and/or- mid-term. The JIU, in its report on the "Review of the United Nations Budgetary Process" highlighted the experience of the UN organizations in this regard, identified some common features and

[14] See, for example JIU reports JIU/REP/99/3 and JIU/REP/2003/2.

elements in those policy papers or strategic plans, and recommended that such a framework be developed at the United Nations.[15] Indeed, most national agencies that adopted a results-based management system developed and issued their corporate strategic frameworks under various names.

Box 6: Examples of national corporate strategic frameworks[16]

a. United States Agency for International Development's strategic framework (USAID)
b. United Kingdom Government Department for International Development's output and performance analysis (DFID)
c. Australian Agency for International Development's performance information framework (AusAID)
d. Danish Agency for International Development's output and outcome indicator system (Danida)

31. An essential common element in all of those strategic documents is the articulation of the organization's long-term objectives that contribute to the organization's goals. The emergence of a set of internationally agreed goals through the Millennium Declaration[17] and a series of major United Nations conferences and summits since the early 1990s have provided important guidance for each UN organization to identify its own priority goals that supports and relate to the organization's mission. For instance, while achieving universal primary education is an internationally agreed goal,[18] some organizations within the UN system can more immediately and logically identify this goal as a priority than others, and a contribution from them is clearly expected in view of their specific mandate and sphere of competence.

Box 7: The FAO Strategic Framework

Formulation of the FAO Strategic Framework for 2000-2015 constituted a milestone in the organization's shift to a results-based approach. Guided by the outcome of the 1996 World Food Summit, it defined three Global Goals of Member Nations and five Corporate Strategies to address members' needs, with ancillary 12 strategic objectives.

Box 8: The IAEA medium-term Strategy

In IAEA, the first Medium-term Strategy (MTS) detailed the Agency's longer-term goals and the specific objectives for 2001-2005.[19] Three broad substantive goals (pillars) were identified and specific objectives for the medium term were defined under each of the pillars, with performance indicators for each objective included in the MTS. The substantive goals were complemented by two functional goals (related to secretariat's role and management).

32. Once the overall priority goals are identified, the organization's objectives (sub-goals) that contribute to these goals should be defined. These objectives, in the context of the results-based management system, would constitute the critical "results" to be accomplished or assessed by the organization over the period of time covered by its strategic framework. Therefore, these objectives should be specific, clear and verifiable to allow an easy attribution to the role of the organization and an assessment of the performance of the organization over

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[15] JIU/REP/2003/2 (A/58/375), paras. 35-36 and annex.
[16] "Results Based Management in the Development Cooperation Agencies: A Review of Experience", Background Report, DAC Working Party on Aid Evaluation.
[17] A/RES/55/2.
[18] Ibid.
[19] The second MTS for IAEA will cover a six-year period (2006-2011).

the long term. Such long-term objectives also allow for better human resources planning within each organization.[20]

33. In a recent report of the JIU on achieving the universal primary education goal of the millennium declaration (Education for All),[21] it was discussed how the UN system organizations have faced their implementation. The main general finding was that after four years of adopting the Millennium goals, there has not been a concerted effort to plan their implementation, which is a major failure. First of all it has not been clearly defined what is expected form the Member States individually and collectively and what is expected from the secretariats. Thus, there is a high risk that none of the goals would be accomplished. Indeed, UNESCO is currently carrying out a strategic review to analyse the progress made and difficulties encountered in the pursuit of Education for All.

Box 9: Desirable characteristics of a statement of objective[22]

a. Statements of results (not means or actions)
b. Precise and simple (easily understood)
c. Measurable
d. One-dimensional (only one result per objective)
e. Logically consistent among levels (reflect cause-effect linkages)

34. Finally, setting the long-term objectives of the organization should be a participatory process, internally so that senior management in the organization can identify with those objectives, assume ownership and use them in making strategic policy and programming decisions, and externally so that member states (and other major concerned parties) of the organization are committed to the agreed upon objectives.

Box 10: A participatory approach is important in developing the corporate strategic framework

The FAO Strategic Framework is the product of extensive consultations over two years (1998-1999) within the Secretariat and with member states and other major partners of FAO, including from the UN system and civil society.

Benchmark 3

Long-term objectives have been clearly formulated for the organization

D. Alignment of Programmes with the organization's long-term objectives

Box 11: Programme management

Making results fit together and add up into major outcomes for the organization, as a whole is what designing strategies is all about. This is the core task of senior management, and indeed permeates all programme management.[23]

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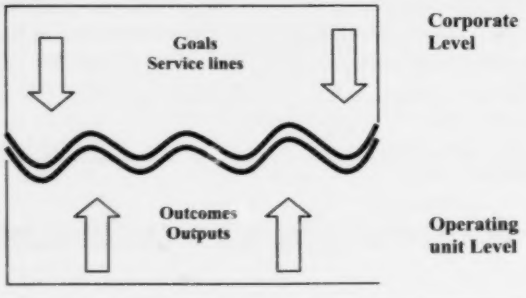
[20] See Chapter IV, Section A of Part III of the series of reports.
[21] JIU/REP/2003/5.
[22] Op. Cit, supra note 2.
[23] Results Based Programming, Management and Monitoring Guide, UNESCO, Bureau of Strategic Planning (BSP)/RTC Consultants.

35. Once the longer-term objectives of the organization are defined, an alignment of its programmes is due. Usually, this is primarily done through a cascading process of the long-term objectives of the organization that ensures that the objectives set at the various operational levels of the organization (e.g. programmes, sub-programmes, projects) link in a logical way to the level above. The characteristics highlighted above for the objective statements are valid for the objectives at the various levels of operations.

36. At many UN organizations, this process has usually entailed a streamlining, regrouping and reformulation of the programmes to provide better focus for the work of the organization around the identified long-term objectives. For example, at WHO, programmes were regrouped and the three levels of the organization (global, regional and country) were integrated with the same overall objectives. ILO reformulated and regrouped its programmes under four strategic objectives and 10 operational objectives, in addition to six crosscutting or shared policy objectives.[24] FAO introduced a programme model with three types of entities and identified sixteen priority areas for interdisciplinary action (PAIAS) in its Medium-term Plan.[25]

37. In the case of some highly decentralized organizations, and bearing in mind the country demand, UNDP, for example, while never discarding the notion that planning and assessment could be part of an integrated whole, was cautious in introducing a framework in which country and programme goals cascade neatly from broader organizational objectives. To reconcile the needs of both corporate and operating units (primarily country offices), UNDP opted for a results system during 2000-03 based on the integration of a two-way process, combining a top-down and bottom-up approach. While UNDP continues to explore ideas and tries through innovative approaches to confront and problematize the issue, especially with regard to questions of attribution and aggregation,[26] its results framework has been simplified for 2004-2007 with two tiers at both the corporate and country levels.[27]

Box 12: UNDP Results System; Two-way Process[28]



[24] Op. cit. supranote 15, para. 40.
[25] FAO uses a programme model with three different types of entities: time-bound technical projects, continuing programme activities, and technical services agreements.
[26] The new MYFF, for 2004-07, revitalizes the discussion within UNDP with the introduction of 'core results'. According to UNDP, these core results represent substantive and methodological guidance for country offices to use in framing country programme outcomes in dialogue with their national counterparts. They can, in turn, be used to create substantive clusters of results for corporate analysis.
[27] At the corporate level, UNDP has now five goals comprising thirty service lines (i.e. two tiers), and at the country level, there are two levels, country programme outcomes and project outputs (again, two tiers).
[28] RBM in UNDP: Overview and General Principles, adapted for 2004-2007.

38. In all cases, it is vital that the organization work to avoid a strategic disconnect in its programming at the various levels if it is to implement RBM successfully. At the United Nations, for example, heads of Departments/Offices and the programme managers were requested to prepare and submit their biennial programme plans as Part Two of the new Strategic Framework for 2006-2007, before identifying the longer-term objectives of the Organization. Part One of the Strategic Framework (plan outline),[29] reflecting the longer-term objectives requested by the General Assembly was initiated centrally.[30]

39. It should also be realized that RBM is a flexible approach to planning and decision-making. The tools and techniques needed to implement RBM will necessarily vary, not only among organizations, but also within an organization. Different types of organizational elements will need different approaches and different tools. For example, administrative and service-delivery elements of an organization will address the RBM requirements differently from those entities dealing with substantive or policy issues. But all parts of the organization must address those requirements.[31]

Box 13: RBM is a flexible approach

FAO is currently developing a concept paper to extend its results-based approach to non-technical departments.

Benchmark 4

The organization's programmes are well aligned with its long-term objectives

E. Alignment of resources with the organization's long-term objectives

40. Accounting for results is at the heart of the shift to results-based management in UN organizations. The United Nations General Assembly, in approving the shift to results-based budgeting, noted, "that the measures proposed by the Secretary-General…are intended to provide, in essence, a management tool that should enhance responsibility and accountability in the implementation of programmes and budgets".[32] Therefore, harnessing the organization's resources to achieve its desired objectives, and demonstrating the linkage between resources and results is essential for an effective RBM system.

41. The Inspectors have noted that this area remains a major challenge in effectively implementing RBM in most UN organizations. Most accounting systems in place do not provide information about the alignment of resources with the long-term objectives of the organizations, nor do they allow linking expenditures to objectives. This is important information for management and the Member States in making their resource allocation and programme planning decisions helping, for example, to shift resources from under-performing, obsolete or marginal programmes and activities to more efficient and relevant ones, and to those programmes considered to be of the highest priority.

42. Effective cost accounting systems linking resources to objectives would also allow assessment of the performance level of a programme in relation to the resources provided to it, and the impact of increased, or decreased resources, on the organization's performance as a

[29] A/RES/58/269 of 23 December 2003.
[30] United Nations, Instructions for the Proposed Strategic Framework for the Biennium 2006-2007.
[31] Op. Cit., supra note 23, adapted.
[32] A/RES/55/231 of 23 December 2000.

whole, or on some of its programmes and activities, over different budget cycles. This would enhance accountability by assessing the resource factor in the performance of a programme, versus other administration or management factors.

43. The Inspectors noted the concern expressed by some managers at several UN organizations where the overall level of the budget may be subject to across-the-board reductions based merely on political considerations and without regard to the programmatic implications of such reductions. However, neither the organizations nor the managers are able at this stage to demonstrate in a convincing way the impact that such reductions had or will have on the performance of their programmes and on achieving the desired results.

Box 14: Link resources to results

Due to highly politicized budgetary processes, the level of predictability of resources for programme planning at the UN organizations is generally low, making the need to link resources to results even more urgent for the UN organizations and their credibility.

44. In the same context, predictability of resources becomes an important factor for effective management and programme planning. Since long-term objectives would need, by their nature, several budget cycles to be achieved, managers would need a reasonable level of resource predictability to set their targets to be met during a certain financial period and be held accountable for.

45. The instruments used by the UN system organizations to provide such predictability and to align strategic planning with resources vary, and, so far, so does their level of success in achieving those aims. For instance, the Executive Boards of UNDP/UNFPA and UNICEF adopt multi-year funding frameworks (MYFF) that integrate programme objectives, resources, budget and outcomes over a four-year period. These organizations, faced with attribution and aggregation challenges, are currently striving to achieve a meaningful linkage between their resources and results and to submit results-based budgets at the corporate level.

46. At FAO, the secretariat includes indicative resources to the programmes in the context of the organization's rolling six-year medium-term plan (MTP). Member States, though, take note and emphasize the indicative and non-committal nature of the resources mentioned in MTP. Indeed, the FAO budget for 2004-2005 suffered a cut of almost US$51 million in real terms compared with the 2002-2003 budget. The IAEA secretariat, for its part, produced in March 2004 a "Strategic Issues and Changes" document for the 2006-2007 Programme and Budget, highlighting, at the Major Programmes level, the strategic issues to be addressed through each major programme, the major changes relating to the 2004-2005 cycle, and an indication of the level of resources required. Through this document, the Secretariat sought guidance from the Member States regarding certain additional resource requirements before proceeding with the preparation of its draft programme and budget proposals for 2006-2007.

47. In all cases, practices that lead to a disconnection between resources and expected results should be reviewed, including, for example, at the United Nations, where the budget outline (indicating the overall level of resources estimated for the upcoming biennial programme budget) is to be submitted and considered for approval after consideration and adoption of the Strategic Framework containing the longer-term objectives and the biennial Programme Plan of the organization.[33]

[33] A/RES/58/269 of 23 December 2003.

48. A link between strategic programming and resources is essential. In general, the Inspectors envisage two main options to achieve this linkage. If the programme planning cycle is short (two or three years), budgeting should be merged with programming; the programme budget should be discussed and approved, and the related financial resources appropriated. However, if the programme planning cycle covers a longer period (four years or more), then the executive heads should present a forecast of estimated resources. Those resources should be recognized by member states as a target without necessarily appropriating the overall level of resources. Appropriations could follow on an annual or a biennial basis subject to the performance of the respective programmes.

Box 15: Maximum expenditures are approved for four years at WMO

Guided by an eight-year Long-Term Plan (LTP), the WMO Congress approves "maximum expenditures" for a four-year budgeting cycle. A biennial programme budget is then devised and approved. The [WMO] Secretary-General is empowered to meet emergencies or unforeseen activities in the four-year budgeting period within the "maximum expenditures" level approved.

Benchmark 5

The organization's resources are well aligned with its long-term objectives

F. Effective performance monitoring systems

Box 16: Performance monitoring systems

Performance monitoring systems track and alert managers to whether actual results are being achieved as planned. They are built around a hierarchy of objectives logically linking [the organization's] activities and resources to intermediate results and strategic objectives through cause and effect relationships. For each objective, one or more indicators are selected to measure performance against explicit targets (planned results to be achieved by specific dates). Performance monitoring is an ongoing, routine effort requiring data gathering, analysis, and reporting on results at periodic intervals.[34]

49. Learning and accountability are primary aims of results-based management. In order to achieve these aims, appropriate information has to be gathered, analyzed and reported at an appropriate timing related to the planning and programming cycle. Developing effective monitoring systems is vital in this regard. Several elements are to be taken into account in this context.

[34] USAID, "The Role of Evaluation in USAID", Performance Monitoring and Evaluation TIPS, 1997, supra note 2.

Box 17: Monitoring at UNDP

UNDP defines monitoring as a continuing function that aims primarily to provide the management and main stakeholders of an ongoing intervention (project, programme) with early indications of progress, or lack thereof, in the achievement of results.[35]

50. It is essential at the outset to differentiate between situation monitoring versus performance monitoring.[36] While the former measures change in a condition or a set of conditions, that may or may not directly relate or impact on the programmes of the organization, the latter measures progress in achieving the specific objectives and results of the organization's programmes and activities as they are stipulated in the organization's time-bound implementation plan.

51. For instance, monitoring the progress towards achieving the Millennium Development Goals of reducing child mortality and improving maternal health is necessary for UNICEF and UNFPA to design and target their programmes, but does not provide in itself the information necessary on the performance of these two organizations' programmes and activities in contributing to achieving those goals. Performance information systems seek to measure that latter performance.

52. Another element to bear in mind in developing a performance monitoring system is that the effectiveness of such systems is a function of the quality of the defined results and the indicators designed to measure the progress towards those results. Well-defined objectives should lead to better-selected indicators and to better designed programmes to meet those objectives. This would also lead to a clearer linkage between the results at various levels of aggregation.

53. In this context, a balance has to be sought between quantitative and qualitative indicators. This balance is most important in the case of those UN organizations for which it is difficult to capture the impact of many of their services and activities in a meaningful or cost-effective quantitative manner. The UN system organizations could also benefit in this regard from the experience of some national agencies where innovative work was done to effectively quantify subjective information.[37]

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[35] UNDP, Handbook on Monitoring and Evaluating for Results, UNDP Evaluation Office, 2002. The Inspectors found various definitions used to describe the monitoring function in the organizations of the UN system and other organizations. However, a most widely accepted terminology for RBM, including monitoring and evaluation functions, can be found in the OECD Glossary of Key Terms in Evaluation and Results Based Management developed by the DAC Working Party on Aid Evaluation (http://www.oecd.org/dataoecd/29/21/2754804.pdf). Most UN organizations either use this terminology or adapt it to their own context.

[36] See UNICEF, Programme Policy and Procedure Manual, Programme Operations, Chapter 5 (Monitoring and Evaluation), Revised May 2003.

[37] Supra note 2, Box 16 on USAID, Handbook of Democracy and Governance Program Indicators, April 1998.

Box 18: The SMART way to select indicators

Many organizations have developed their own checklists for selecting indicators that contain key criteria against which the selected indicators are tested. Among them is the popular acronym SMART. A good indicator has to be: Specific; Measurable; Attainable; Relevant; and Trackable.[38]

54. Related to the issue of indicators is the necessity to establish baselines and targets against which progress could be measured over a certain period of time. The Inspectors found that most UN organizations are at an early stage in this process. Some, like the United Nations, introduced baselines and targets for the first time in this ongoing biennium 2004-2005, while others are in the process of establishing such baselines and targets. WIPO, for example, despite its early shift to a results-based approach since 1998, has yet to establish baseline indicators and targets for most of its programmes and activities. It is clear that such a process needs to be developed within and guided by the strategic planning framework of the organization in order to be meaningful and effective.

Performance monitoring and information systems

55. The need for effective performance monitoring systems as an intrinsic part of a successful results-based management strategy has led most organizations of the UN system to review their existing management information systems and reflect on the extent to which those systems support the effective implementation of RBM. Three major approaches are followed by the UN system organizations in this regard.

56. Some organizations, including UNDP, UNFPA, ILO and WHO, decided to replace in phases their legacy systems with Enterprise Resource Planning (ERP) systems covering in an integrated manner, at headquarters and in the field, the programme and budgeting, finance and accounting, and human resources management components. Hence, UNDP, joined by UNFPA, launched the first phase of its ERP system in 2004 with the full range of functions anticipated for 2006. ILO is currently developing its Integrated Resource Information System (IRIS) with the aim to implement it initially at headquarters during 2004 and then gradually in the field as from the latter part of the year. As for WHO's Global Management System (GMS), it is still largely at the conceptual phase with the aim to have it fully operational by 2007.

57. Other organizations, including FAO and UNESCO, mainly replaced their programming and budgeting systems with new results-based integrated systems for planning, programming, budgeting, monitoring and reporting. Hence, UNESCO developed its System of Information on Strategies, Tasks, and Evaluation of Results (SISTER), while FAO developed its Programme Planning, Implementation, Reporting and Evaluation System (PIRES). Both systems are functional at this stage, with interfacing between them and the respective financial systems in place achieved through additional modules and software solutions. Both systems also envisage an interface in the future with results-based human resources management systems, once those systems are conceived.

58. The United Nations, for its part, opted to enhance its existing Integrated Monitoring and Documentation Information System (IMDIS). Originally developed by the Department of Economic and Social Affairs (DESA) to assist its senior management in tracking the implementation of programme outputs and meeting the performance reporting requirements of the United Nations General Assembly, the system was expanded and enhanced

[38] For more details see supra note 2, Box 6, and RBM in UNDP: Selecting Indicators.

continuously since 1998 to cover the output delivery of other departments, try to make monitoring and reporting on performance more effective, and include the programme components of all sections of the programme budget for 2002-2003, the first programme budget formulated fully in accordance with the RBB format approved by the General Assembly. However, officials interviewed for this report expressed the view that IMDIS, as it stands at this stage, is not user-friendly, and does not take into account the varying performance monitoring requirements in different departments. Incentives to use the system are lacking as programme managers cite inherent difficulties in tracking outputs under current procedures, and the online application does not make the process of continuous monitoring easy.[39]

59. The new version of IMDIS being currently conceptualized will attempt to address some of those concerns. This is mainly being done through the collaboration of DESA, the Office of Programme Planning, Budget and Accounts (OPPBA) and OIOS. Preliminary exploration is being undertaken for linking programmatic aspects in IMDIS to the existing financial and budgetary systems in the Secretariat and achieving greater precision and comparability of the logical framework components. The Inspectors were informed, however, that it is "too ambitious" to speak about linking human resources and programmatic aspects at this stage. Indeed, the Office of Human Resources Management is not involved in the ongoing enhancement efforts for IMDIS, and it is not clear whether the human resources management systems currently in place can be effectively linked with IMDIS in the future. OIOS officials cited the shortage of resources and expertise as the main restraining factor to achieving progress in this area.

60. Obviously, there is no "one-size-fits-all" approach in deciding to develop a performance monitoring information system in the UN organizations (or other organizations for that matter). A major determinant, though, in making such a fundamental decision is the return on investment expected from a selected approach in terms of efficiency and effectiveness of the organization in managing its operations and meeting its goals versus the cost involved in developing the system.[40]

Box 19: ERP systems; pro and con

An ERP system provides a single comprehensive worldwide database collecting data from transactions processed in multiple modular applications supporting all aspects of the organization's activities. It simplifies data integration and provides a streamlined way to get data to various divisions, departments and stakeholders.

An ERP system is costly. The IRIS budget at ILO so far is close to US$30 million, and the cost of the GMS of WHO is estimated at US$55 million. On the other hand, the PIRES external costs at FAO were estimated at merely US$700,000 at the end of 2003.[41]

A private company that opted for an ERP approach has trimmed its transactional activity by 60 per cent and slashed HR administrative staff by about 55 per cent. Its annual savings were estimated to exceed US$800,000 (on annual sales of US$1 billion).[42]

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[39] Project brief, IMDIS version 3.0, final draft, 17 October 2003.
[40] For an informative and interesting brief comparison between ERP versus software-based systems, see "ERP Versus Best of Breed", Samuel Greengard, Workforce Management, November 2003, pp. 53-56.
[41] ILO GB.288/PFA/6, WHO A56/6, and FAO PIRES "Project Overview and Charter".
[42] Op. Cit., supra note 40.

Box 20: Software strategies; pro and con

A performance monitoring system based on a well-conceived software strategy could provide greater flexibility and improved interfacing ability between various systems with considerably lower costs.

An unfocused software strategy could prove costly over time and poses challenges of tying together disparate systems and ensuring long-term service and support.

61. An important consideration also to bear in mind while developing an effective performance monitoring system is the need to simplify. Lessons learned from some national experiences suggest that over-complexity of the performance measurement and data collection is the biggest risk factor threatening successful implementation of RBM. Consequently, the initial use of relatively few results statements and performance indicators facilitates effective measurement and tracking, and encourages stakeholders to embrace the system.[43]

Box 21: Simplify performance measurement; IRIS at ILO

In developing IRIS, ILO selected its indicators at the outcomes level. This is intended to simplify performance measurement while aiming to measure the impact of its work, raise the level of accountability, and avoid being absorbed by too many indicators related to its outputs. Generally, two indicators were defined for each of approximately 50 outcomes.

62. Related to this issue is the need to identify some standard or key indicators to measure performance at the organizational level. UNICEF developed a set of management indicators that were tested at country offices during 2003. The UN system organizations may also benefit in this regard from the experience of some national development agencies to develop standard outcome indicators for common "programme approaches" (groupings of similar projects).[44] In this context, the CEB, through its High Level Committees on Programme and Management, could explore the possibility of identifying key or standard performance indicators at the level of the UN system.

Box 22: Identify key performance indicators; the KIMRS at the UN

The United Nations developed the Key Item Management Reporting System (KIMRS) to provide analytical information on key performance indicators. Four clusters of management performance indicators have been developed and provide information on compliance (or divergence) with established goals. The system uses color-coded indicators, updated daily on the Intranet, to highlight where management actions need to be taken. For instance, a red indicator light on recruitment tracking clearly alerts the manager to delays in the recruitment process.[45]

63. Finally, it is important to recall that any performance information system can only be as good as the quality of information it receives and, therefore, can provide. To be effective, a performance information system needs to be supported by a reliable telecommunications infrastructure and a commitment by managers and staff concerned to supply it constantly with

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[43] Canadian International Development Agency (CIDA), "Lessons Learned from Implementing Results-based Management in CIDA", June 1998.
[44] See supra note 2, pp. 99-101.
[45] http://intranet.un.org/MPO

the required data and information. For example, despite the fact that it is a well-conceived system, the effectiveness of SISTER at UNESCO is being hampered by connectivity problems and the uneven completion of the required information by programme officers and managers. To address part of these problems, the Director-General has instituted as a house-wide policy that all information required in SISTER must be completed in a comprehensive manner (providing satisfactory information on strategies to be pursued, expected results and performance indicators, and financial requirements and budgetary breakdowns) by programme officers and managers at all levels, lest budgetary allocations will be blocked. A functional and technical study to decrease connectivity problems has also been carried out.

Box 23: Improved telecommunications is important

To support IRIS (and set the foundation for a worldwide knowledge sharing), ILO is implementing a global telecommunications infrastructure project at an estimated cost of US$3 million.[46]

Benchmark 6

An effective performance monitoring system is in place

G. Effective use of evaluation findings through timely feedback and reporting

64. Evaluation aims to determine relevance, efficiency, effectiveness, and impact of programmes and activities in relationship to their goals and objectives.[47] Through a systematic analytical exercise, it attempts to gauge the extent of success in achieving the objectives, assess the underlying reasons for achievement or non-achievement, and identify key lessons learned and recommendations to improve performance.[48] Evaluations can be conducted occasionally or on selective basis.

65. Evaluation at the UN organizations is usually conducted at three levels: project, programme (individual or country programmes), and organizational levels. In terms of their scope, two types of evaluation can be generally identified in the UN system: in-depth evaluations, mainly conducted at the programme level; and thematic evaluations, usually related to policies, strategies, or cross-cutting topics having a bearing on the performance of the organization or several of its programmes. In terms of their authors, three types could be identified: self-evaluations, conducted by or under the auspices of the managers for their own projects/programmes; internal evaluations, conducted by or under the auspices of the internal oversight or evaluation services of the organization; and external evaluations, conducted by the external oversight bodies of the UN system, or by external consultants at explicit requests of the competent intergovernmental bodies.

66. The Inspectors have observed that, in general, there is a lack of coherence in the planning, programming, budgeting, monitoring and evaluation cycle in many organizations, in particular in the final stage of evaluation, which is not systematically used on the eve of the next budgetary cycle. A few organizations have recently begun to introduce "real-time" evaluations, which differ from traditional "ex-post" evaluations in that the evaluation takes place during the implementation of operations.[49] The aim is to adjust the course/process of

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[46] ILO, GB.286/PFA/6/2, March 2003.

[47] JIU report JIU/REP/98/2 on "More Coherence for Enhanced Oversight in the United Nations System", p.7.

[48] Adapted from the proposed harmonized terminology of the United Nations Development Group on RBM, June 2003, http://www.undg.org/documents/2485-Results-Based_Management_Terminology_-_Final_version.doc

[49] Real-time evaluation was introduced by the World Bank in 1996, UNHCR in 2000 and WFP in 2002 (WFP/EB.2/2004/2-B).

implementation with valid performance information, in light of the objectives (expected results), and to enhance the quality of current and future operations with real-time feedback. While this may be a promising instrument for real-time performance and for institutional learning, in general the effectiveness of the evaluation function at the UN organizations needs to be enhanced considerably for a successful implementation of RBM, and in particular in relation to the following aspects.

67. Introducing and enhancing self-evaluation has proved to be a major challenge for most organizations of the UN system. In some cases, this is due to a genuine lack of resources available to programme managers to conduct such evaluations from within their existing resources. However, in most cases, the lack of a self-evaluation culture at the organization and a limited backstopping and follow-up from the central evaluation services lead many managers to be lax in allocating resources specifically to conduct self-evaluation using in-house or external expertise for that matter. At the United Nations, for example, the cost of self-evaluation is not separately presented or allocated in the regular budget and the adequate level of staff time and other resources has never been assessed. The departments expressed the need for more assistance from OIOS in providing guidance to self-evaluations and facilitating the sharing of evaluation practices among departments and offices.[50]

Box 24: Self-evaluation is key to an effective evaluation system; the case of FAO

At the end of 2001, the Director-General of FAO elaborated, through a bulletin,[51] the elements of a strengthened evaluation system for the organization. Auto-evaluation (i.e. self-evaluation) was emphasized as a main component of the system. It was required for all technical projects prior to the end of their planned implementation, and at least once during the six-year timeframe of the MTP for other programme entities. All auto-evaluation actions were to be planned into the programme design, including their timing and costs. Auto-evaluation is to be implemented in line with guidelines issued by the Evaluation Service in November 2003.[52]

68. Given the fact that the central evaluation services at most UN organizations, due to their own limited resources,[53] are usually unable to conduct more than two or three evaluations per year (in-depth and/or thematic), many years could pass before certain programmes are subject to a central evaluation (e.g. the periodicity of in-depth evaluation for any given programme at the United Nations follows a 10 to 12 year cycle).[54] Hence, self-evaluation should constitute the backbone of any effective evaluation system in order to provide timely analysis of the performance of projects and programmes.

69. Another major challenge for effective evaluation systems at the UN organizations is the use of the evaluation findings and recommendations. The expressed purpose of evaluation is to improve the performance of the evaluated entity. This could only be achieved through an effective use of the evaluation findings and recommendations to influence upcoming and future decision-making, and the lessons learned from the evaluations should be applied in future programme planning. Indeed, the Inspectors caution against terminating some programmes or substituting others before a full evaluation of the programmes to be terminated or replaced, including the identification of weaknesses and lessons learned in their implementation. Mechanisms should be put in place for the implementation, monitoring and follow-up to the findings and recommendations of evaluations. In a majority of the

[50] "Strengthening the role of evaluation findings in programme design, delivery and policy directives", Note by the Secretary-General, A/57/68 of 23 April 2002, paras. 10 and 23.
[51] FAO, DGB No. 2001/33 dated 5 November 2001.
[52] See www.fao.org/pbe
[53] See, for example, supra note 50, para. 9.
[54] Ibid., para. 31.

programmes at the United Nations, for example, comprehensive assessments of whether findings have been acted upon effectively appear to be the exception, rather than the rule.[55]

70. Improving this aspect is closely linked to timely reporting to senior management and the competent intergovernmental bodies. Part of this challenge could be met through the establishment of effective performance monitoring systems, as highlighted above. Those systems should provide a valuable amount of data and information needed for effective and timely evaluation. However, an important part of this challenge could only be met through improved evaluation plans, including self-evaluation plans, aligned with the programme planning cycles of the organization and with the timetable of the envisaged review by the competent intergovernmental bodies.

71. Improved evaluation plans become more pressing in view of the fact that, in most UN organizations, evaluations of programmes falling within a specific area of activity are supposed to be reviewed by the relevant specialized intergovernmental body before their review by the expert body in charge of overall oversight on the programmatic aspects of the organization.[56] This disposition was never implemented at the United Nations, for example, since 1994.[57] In another example, UNDP develops its evaluation plan for five years (the last one covers the period 2002-2006). However, this plan is not aligned with MYFF, which is developed for four years, the last of which for 2004-2007.

72. Finally, there is a need to establish sharing mechanisms for the findings and lessons learned from the various evaluations, or enhance the existing ones and their use. Several organizations have established central evaluation databases to support organizational learning and improve performance. For example, in 2001, the Evaluation Office at UNICEF created a real-time, on-line Intranet access to an evaluation and research database intended to record the organization's memory on performance, findings and lessons learned. It allows users, particularly from UNICEF field offices, to access abstracts and full reports of evaluations and studies conducted by UNICEF and other organizations. It also serves as a reference source on methodological tools.

73. Such mechanisms, though, need to be themselves evaluated over a certain time to assess their impact on improving performance, in particular in terms of feedback to future project/programme planning and evaluation plans. For example, a review conducted of the UNICEF database in 2000 revealed that despite the long history of the evaluation database (test version of which first released in 1993), it was not as widely known or used in the organization as had been expected.[58]

Box 25: Evaluation databases are important learning mechanisms

UNDP maintains its Central Evaluation Database (CEDAB) as the institutional memory on lessons learned from programmes and projects that have been evaluated. It is mandatory for evaluators to submit, along with the evaluation reports, a Project Evaluation Information Sheet (PEIS) containing information to be entered into the database.

Benchmark 7

Evaluation findings are used effectively

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[55] Supra note 50, para. 37.
[56] See, for example, rules 107.2 (c) (ii) and 107.4 (f) of the Regulations and Rules Governing Programme Planning at the United Nations.
[57] Supra note 50, para. 28.
[58] UNICEF, E/ICEF/2000/8 (Part I).

H. Internalization of the results-based approach within the organization

74. Internalizing results-based management, that is ensuring that management and staff, at all levels of the organization, are fully familiar with its concepts and conscious of its requirements in relation to their own work, was emphasized as a major challenge to the effective implementation of RBM by many officials interviewed. The questionnaire referred to in the introduction to this report would have provided, inter alia, valuable information on the level of success of each organization in internalizing the RBM system. In the absence of such data, the Inspectors would nevertheless like to highlight the following points based on their review of the experience of the UN organizations and the efforts of some to internalize the process.

75. Most organizations that made a systematic breakthrough in implementing RBM relied on, at the beginning of the process, to institutionalized structures with clear responsibilities to oversee the orderly and clearly conceptualized introduction of RBM in the organization. Hence, at UNDP, a steering committee (comprising the Bureau of Management, the Operations Support Group and the Evaluation Office) had the responsibility of ensuring a coherent approach for the introduction of RBM, including the preparation of the first MYFF (2000-2003). At WFP, the Executive Director, in order to give impetus to the implementation process of RBM and ensure harmonization and coherence in the process, established a new Division for RBM in 2003, which reports directly to him.

76. Similarly, at UNFPA, in 1999 a new office for RBM attached to the Executive Director's Office was established. This Office is responsible to coordinate the introduction of RBM throughout the organization and the formulation of the MYFF. These structures proved most useful in introducing RBM to the organizations and are consistent with similar experiences of national agencies.[59] Once RBM takes root and is streamlined throughout the organization, the role of such top-down authorities in guiding the process can be expected to diminish.

77. Training is another vital element for the successful internalization of RBM. Most organizations do realize its importance, and are at various stages of the process of elaborating or adapting their training and orientation tools and materials to RBM requirements. WHO, for example, developed a series of interactive CDs on results-based management and training courses which were presented in each of the six WHO regions and at Headquarters. ILO is currently in the process of elaborating a training manual. Several training kits exist already at UNICEF, UNDP and UNFPA.

78. While some organizations offer training on RBM mainly for staff in the area of programme planning and finance, the Inspectors stress the need to promote change management throughout the organization, and therefore, induction workshops and training on RBM should include staff at all levels that are responsible for programme implementation.

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[59] For example, the creation in the mid nineties of a dedicated RBM Unit located within the Performance Review Branch in CIDA helped to provide a more focused corporate approach to RBM in the agency and to re-enforce its decision to adopt RBM as its main management tool. See "Results-Based Management in CIDA: An Introductory Guide to the Concepts and Principles", Performance Review Branch, January 1999.

Box 26: Training at all levels is essential

At UNDP, training kits are prepared at all levels, and web-based support training is updated each year. UNDP provides year-round face-to-face and web-based training on managing for development results. Face-to-face training is provided to entry-level professionals and senior country office managers. Web-based training to professionals is entering its third year and variations of the RBM course are being developed for all staff members for baseline learning, as well as for experts.

At UNFPA, to increase staff awareness with RBM and its impact and requirements on their work, an induction process, including through a series of workshops, is carried out at headquarters and the field. This process was launched after learning and human resources strategies for the organization were developed.

UNESCO has allocated funds from its corporate training budget to provide for a systematic training of programme officers at Headquarters and in field offices in results formulation related to RBM and work plan management. In the first half of 2004, an RBM pilot training programme was implemented through hands-on workshops, frequently individualized to meet specific office needs and circumstances in different geographic locations. An RBM Training Plan of Action for 2004-2005 has been developed for UNESCO as a whole.

79. The Inspectors would like to emphasize, though, that while the elaboration and provision of training tools and kits are essential, verifying and ensuring periodically their use and application at all levels in the organization is equally essential for a successful internalization process. Several officials interviewed also emphasized the value of "on-the-job" training in relation to RBM requirements.

80. Finally, reviewing and adapting the regulations and rules governing the various work and management aspects of the organization is important to institutionalize RBM in the organization. Programming manuals or guidelines need to reflect the results-based approach, and the financial regulations and rules need to be adapted to the flexibility and accountability requirements offered by an RBM system.

Benchmark 8

RBM is effectively internalized throughout the organization

I. A Knowledge Management strategy to support RBM

81. There is a growing awareness among the organizations about the need for embracing knowledge management as a key management support tool, which can be used to reinforce and complement RBM since both have the ultimate goal of making organizations more effective, thus improving their performance. Organizations could successfully implement RBM without the need to put in place a KM strategy or vice versa, although the Inspectors are of the view that concerted implementation of both concepts will be mutually reinforcing. As RBM and KM rely on adequate information management systems, organizations planning to implement KM and RBM need to develop a long term IT strategy which contemplates the existing synergies between the two concepts. Additionally, in both cases the most important obstacle to overcome is organizational culture. Changes in the culture of a given organization do not happen overnight; it is a lengthy process, which requires among other things extensive

and appropriate training. Those organizations planning to promote cultural change should consider how to benefit from a parallel implementation of both concepts, avoiding unnecessary and in some cases duplicative costs.

82. KM strategies should put emphasis on how knowledge is used in order to efficiently achieve the respective organizations' objectives, stressing the links and synergies between the concepts of RBM and KM, in respect of the need to develop a right organizational culture as well as the need to establish solid knowledge sharing mechanisms to obtain a full benefit from the lessons learnt (positive and negative), as one of the key elements of any RBM approach.

83. Knowledge management (KM), as a concept, is relatively new and encompasses diverse fields. There is no agreed definition of KM, even among practitioners. In the context of this report, the term could be defined as the systematic process of identifying, capturing and sharing knowledge people can use to improve performance. Some of the organizations that have adopted KM call themselves "learning organizations". UNDP pioneers this concept within the United Nations system and has devoted a lot of attention to its implementation. The World Bank has extensively used this tool in its operations and has positioned itself as "the knowledge bank".

84. The first step for an organization, based on its mission and related mandates as well as acquired experience, is to identify the amount, type and structure of the required knowledge and competencies it needs such as technical knowledge, IT, etc. In this process, the organization should find out what are the knowledge and information needs of its stakeholders in addition to the needs for internal management.

85. A main challenge for the organizations is to avoid losing the knowledge gained by individual officials and staff in general, thus risking losses in the organizations' institutional memories. Some organizations of the private sector, for instance, pay their top managers at the end of their careers for a 'debriefing'. Therefore, a paramount task for staff at all levels is to record and report on innovations, best practices, etc. Moreover, innovations bringing efficiency gains and/or savings should be not only encouraged but also recorded in the individual performance appraisal reports and properly rewarded.

86. A successful implementation of RBM requires that the organizations be equipped with matching management information systems able to facilitate knowledge sharing.

87. Since knowledge can be explicit (data, manuals, regulations and rules, procedures, etc) or implicit/tacit (unwritten knowledge largely untapped), it is crucial for the organizations to establish a clear and structured knowledge management strategy which enables them to capture, collate, codify, and structure the knowledge, as a pre-requisite for its sharing and dissemination both internally and externally.

88. Knowledge is a valuable asset and a source of power for decision-making, thus investment in this area, if well planned, is cost-effective. Knowledge management is a valuable tool to reduce costs; improve processes; approach problems by using systematic methods, basing the decisions on data and not on hypothesis, using solid tools to treat data and arrive at conclusions; learning from internal and external present and past experiences (no reinvent the wheel) and identify the best practices. This fact has led some organizations to establish specific units to deal with knowledge management.

89. This report does not pretend to extensively discuss this issue but to highlight that for United Nations organizations to be more efficient, cost-effective and competitive in a RBM environment, knowledge management can be an additional tool that facilitates achievement of results through the development of a genuine knowledge sharing culture thus making the

organizations "learning" or "intelligent" ones. The Joint Inspection Unit plans to further study KM activities in United Nations system organizations in the future.

Box 27: Knowledge management is a key management support tool

UNDP has developed a knowledge management strategy and devoted a lot of attention to its implementation. The World Bank has extensively used knowledge management in its operations. Both have become "learning organizations".

The 2004-2007 Multi-Year Funding Framework (MYFF) prepared by UNDP is a good example of the way an organization learns from past performance. The MYFF was developed over an 18-month period in which various aspects of performance during the period of 2000-2003 were systematically analysed at all levels, while the external environment and projected country demand for 2004-2007 were considered prior to the framework's finalization and approval by the Executive Board. Based on this institutional learning, the new MYFF is now viewed by UNDP as the organization's main policy instrument and reference for strategic management.

Benchmark 9

A Knowledge Management strategy is developed to support RBM